

## AUDITOR GENERAL (50)

### *AGENCY PLAN: STATEMENT OF PURPOSE, GOALS AND BUDGET SUMMARY*

#### STATEMENT OF PURPOSE:

The mission of the Office of the Auditor General (OAG) is to act as an independent, full-service appraisal function to examine and evaluate the City's activities in order to improve the accountability for public funds and to improve the operations of City government. We promote the economy, efficiency, and effectiveness of City government, and protect against fraud, waste, and abuse by conducting independent audits, investigations, and evaluations; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty, and integrity among OAG staff and the people we serve.

#### AGENCY FINANCIAL SUMMARY:

2006-07 <u>Requested</u>		2005-06 <u>Budget</u>	2006-07 <u>Recommended</u>	Increase (Decrease)
\$ 3,559,391	City Appropriations	\$ 2,357,775	\$ 2,646,162	\$ 288,387
\$ 3,559,391	Total Appropriations	\$ 2,357,775	\$ 2,646,162	\$ 288,387
\$ 300,000	City Revenues	\$ 173,000	\$ 250,000	\$ 77,000
\$ 300,000	Total Revenues	\$ 173,000	\$ 250,000	\$ 77,000
\$ 3,259,391	NET TAX COST:	\$ 2,184,775	\$ 2,396,162	\$ 211,387

#### AGENCY EMPLOYEE STATISTICS:

2006-07 <u>Requested</u>		2005-06 <u>Budget</u>	04-01-06 <u>Actual</u>	2006-07 <u>Recommended</u>	Increase (Decrease)
<u>23</u>	City Positions	<u>23</u>	<u>17</u>	<u>21</u>	(2)
23	Total Positions	23	17	21	(2)

#### ACTIVITIES IN THIS AGENCY:

	2005-06 <u>Budget</u>	2006-07 <u>Recommended</u>	Increase (Decrease)
Auditing Operations	\$ 2,357,775	\$ 2,646,162	\$ 288,387
Total Appropriations	\$ 2,357,775	\$ 2,646,162	\$ 288,387

## **AUDITOR GENERAL (50)**

### ***AUDITING OPERATIONS ACTIVITY INFORMATION***

#### **ACTIVITY DESCRIPTION: AUDITING OPERATIONS**

The OAG performs audits of each City agency and prepares written reports that convey the resultant audit findings and recommendations to the City Council, the Mayor, and the management of each agency.

The OAG also performs special projects, risk management evaluations and other work, as requested by City Council, as initiated internally, or as required by City Code. Many of these projects result in formal reports or other communications to City Council. The Office also analyzes the Mayor's proposed City budget for City Council each fiscal year.

The annual financial audits of the City and its Federal financial assistance programs are performed by outside auditors hired by the Office of the Auditor General.

#### **GOALS:**

1. Improve the auditing and consulting capabilities of the OAG staff.
2. Improve the quality and timeliness of audit reports.
3. Complete a minimum of thirty-four audits, investigations, or special projects.
4. Identify opportunities for expense savings and increased revenues.

#### **MAJOR INITIATIVES FOR FY 2005-06 and FY 2006-07:**

The Office of the Auditor General's most important initiative planned for the fiscal year ending June 30, 2007, is to aggressively work to meet our Charter mandate of auditing every City department biennially. This mandate is increasingly important during times of increased risk due to limited resources and department downsizing and reorganization. Additional OAG initiatives include the completion of a comprehensive review of the City's risk management process, and the implementation of electronic audit working papers to gain greater audit efficiency within our department.

#### **PLANNING FOR THE FUTURE FOR FY 2006-07, FY 2007-08 and BEYOND:**

The Office of the Auditor General will continue to attract, train, supervise and motivate auditors, in order to meet our Charter mandate and the goals established for the year.

## AUDITOR GENERAL (50)

### *AUDITING OPERATIONS MEASURES AND TARGETS*

<b>Type of Performance Measure:</b> List of Measures	<b>2003-04</b> <b>Actual</b>	<b>2004-05</b> <b>Actual</b>	<b>2005-06</b> <b>Projection</b>	<b>2006-07</b> <b>Target</b>
<b>Outputs: Units of Activity directed toward Goals.</b>				
Reports on Audits of Financial Transactions	12	6	16	19
Reports Issued	9	17	17	15
Claims hearing	71	82	81	81
PLD Contract Reviews	71	71	9	2
Risk Management Evaluations	0	0	3	6
<b>Activity Cost</b>	<b>\$2,726,112</b>	<b>\$2,673,021</b>	<b>\$2,357,775</b>	<b>\$2,646,162</b>

**CITY OF DETROIT  
AUDITOR GENERAL**

**Financial Detail by Appropriation and Organization**

<b>Administration &amp; General Office Auditing Operations</b>	<b>2005-06 Redbook</b>		<b>2006-07 Dept Final Request</b>		<b>2006-07 Mayor's Budget Rec</b>	
	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>
<i>APPROPRIATION ORGANIZATION</i>						
00261 - Auditing Operations						
500010 - Administration & General Office	5	\$689,425	5	\$920,398	5	\$820,455
500020 - Auditing-Operations	16	\$1,538,590	16	\$2,438,892	14	\$1,705,074
<b>APPROPRIATION TOTAL</b>	<b>21</b>	<b>\$2,228,015</b>	<b>21</b>	<b>\$3,359,290</b>	<b>19</b>	<b>\$2,525,529</b>
11195 - Risk Management Council						
500095 - Risk Management Council	2	\$129,760	2	\$200,101	2	\$120,633
<b>APPROPRIATION TOTAL</b>	<b>2</b>	<b>\$129,760</b>	<b>2</b>	<b>\$200,101</b>	<b>2</b>	<b>\$120,633</b>
<b>ACTIVITY TOTAL</b>	<b>23</b>	<b>\$2,357,775</b>	<b>23</b>	<b>\$3,559,391</b>	<b>21</b>	<b>\$2,646,162</b>

**CITY OF DETROIT**  
**Budget Development for FY 2006-2007**  
**Appropriations - Summary Objects**

	<b>2005-06</b>	<b>2006-07</b>	<b>2006-07</b>
	<b>Redbook</b>	<b>Dept Final</b>	<b>Mayor's</b>
		<b>Request</b>	<b>Budget Rec</b>
<b>AC0550 - Auditing Operations</b>			
<i>A50000 - Auditor General</i>			
SALWAGESL - Salary & Wages	1,151,832	1,464,264	1,138,854
EMPBENESL - Employee Benefi	665,726	1,223,980	825,908
PROFSVCSL - Professional/Con	385,735	704,000	526,000
OPERSUPSL - Operating Supplie	17,600	17,465	14,637
OPERSVCSL - Operating Service	136,138	139,732	129,070
CAPEQUPSL - Capital Equipmer	744	0	0
OTHEXPSSL - Other Expenses	0	9,950	7,896
FIXEDCHGSL - Fixed Charges	0	0	3,797
<i>A50000 - Auditor General</i>	<i>2,357,775</i>	<i>3,559,391</i>	<i>2,646,162</i>
<b>AC0550 - Auditing Operations</b>	<b>2,357,775</b>	<b>3,559,391</b>	<b>2,646,162</b>
<b>Grand Total</b>	<b>2,357,775</b>	<b>3,559,391</b>	<b>2,646,162</b>

**CITY OF DETROIT**  
**Budget Development for FY 2006-2007**  
**Appropriation Summary - Revenues**

	2004-05 Actuals	2005-06 Redbook	2006-07 Dept Final Request	2006-07 Mayor's Budget Rec	Variance
<b>A50000 - Auditor General</b>					
<i>00261 - Auditing Operations</i>					
449125 - Personal Services	246,655	173,000	300,000	250,000	77,000
474100 - Miscellaneous Receipts	1,076	0	0	0	0
<i>00261 - Auditing Operations</i>	<i>247,731</i>	<i>173,000</i>	<i>300,000</i>	<i>250,000</i>	<i>77,000</i>
<b>A50000 - Auditor General</b>	<b>247,731</b>	<b>173,000</b>	<b>300,000</b>	<b>250,000</b>	<b>77,000</b>
<b>Grand Total</b>	<b>247,731</b>	<b>173,000</b>	<b>300,000</b>	<b>250,000</b>	<b>77,000</b>

**CITY OF DETROIT**  
**MAYOR'S 2006/2007 RECOMMENDED BUDGET**

**Auditor General**

Appropriation Organization Classification	REDBOOK FY 2005 2006 FTE	DEPT REQUEST FY 2006 2007	MAYORS FY 2006 2007 FTE
<b>00261 - Auditing Operations</b>			
<b>500010 - Administration &amp; General Office</b>			
Auditor General	1	1	1
Deputy Auditor General	1	1	1
Chief Auditor	1	1	1
Executive Secretary III	1	1	1
Office Assistant III	1	1	1
<b>Total Administration &amp; General Office</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>500020 - Auditing-Operations</b>			
Manager II - Auditor General	2	2	1
Senior Auditor	6	6	5
Auditor	8	8	8
<b>Total Auditing-Operations</b>	<b>16</b>	<b>16</b>	<b>14</b>
<b>Total Auditing Operations</b>	<b>21</b>	<b>21</b>	<b>19</b>
<b>11195 - Risk Management Council</b>			
<b>500095 - Risk Management Council</b>			
Auditor	2	2	2
<b>Total Risk Management Council</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total Risk Management Council</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Agency Total</b>	<b>23</b>	<b>23</b>	<b>21</b>